

# AGREEMENT AND ACTIONS

**Communications Working Group  
11am to 2pm – 10 February 2016  
Rooms A&B, Layden House**

**Present**

Andy Brooks (Gwent (Torfaen) Pension Fund)  
Ben Altoft (Avon Pension Fund)  
Beth Sargent (Northamptonshire & Cambridgeshire Pension Funds – LGSS)  
Cheryl Platts (Buckinghamshire Pension Fund)  
Cory Blose (Northamptonshire & Cambridgeshire Pension Funds – LGSS)  
David Williams (Environment Agency Pension Fund)  
Heather Chambers - Chair (Tyne and Wear Pension Fund)  
Jenny Gregory (West Yorkshire Pension Fund)  
Mandy Judd (Hampshire Pension Fund)  
Martin Griffiths (Staffordshire Pension Fund)  
Matthew James - Vice Chair (Dyfed Pension Fund)  
Neil Lewins (LPFA)  
Lorraine Bennett (LGPC Secretariat)  
Guy Hayton (Merseyside Pension Fund)  
Steve Makin (Avon Pension Fund)  
Zoe Stannard (Wiltshire Pension Fund)

**Apologies**

Carol Haywood (Leicestershire Pension Fund)  
Jenny Wylie (Oxfordshire Pension Fund)  
Kevin Thompson (West Midlands Pension Fund)  
Rebecca Purfit (Shropshire Pension Fund)

**1. Actions and agreements from last meeting held 25 November 2015**

Chair reviewed minutes from the last meeting, all agreed that these were a true reflection of the meeting.

Chair confirmed that 12 action points were raised at that last meeting and all had been completed apart from Action 12

Action 12 – Secretariat to update brief guide to incorporate Freedom & Choice. The guide will be reviewed in April to take into account these and other necessary changes.

**2. Member website**

***Demonstration of test site***

Lorraine Bennett (LB) provided a demonstration from the test website. The group said they like the find out more sections. The site does not currently have a search function and it was agreed that this would be crucial.

Guy Hayton (GH) confirmed that on Merseyside's website search facility is used by almost members. Mathew James (MJ) confirmed that the A-Z finder is very popular function on Dyfed's site.

### ***User testing and implementation***

A discussion around user testing took place, acknowledging the fact that timescales are tight as the planned launch for the website is April 2016.

Chair asked for volunteers to help with user testing – CP confirmed that they had around 5 new staff who could be used as testers. GH confirmed that he was happy to provide resources to assist with:

- User testing
- incorporating a search function
- equality testing
- setting up google analytics to monitor usage of the site

Steve Makin (SM) mentioned that we had previously agreed to amend the LGPS2014 logo to remove the 2014 reference.

It was agreed that GH would work with LB to put together an action plan to deliver the actions above and transition from the existing LGPS2014 site.

It was agreed that the launch of the website would be communicated to all Funds in the February 2016 bulletin. It was noted that some funds do not have their own website and will forward members from a single page on their intranet site to the national site. It was agreed that this was not ideal as the national site will not contain pension forms, discretions policies, pension fund reports etc. which are individual to each fund.

Chair asked for quarterly reports on usage to be provided.

The longer term aims for the website include making it mobile friendly, developing a Welsh language version and to consider obtaining accreditation from the Plain English campaign.

**Action 1:** GH and LB to produce and carry out an action plan to implement and test the website before April

**Action 2:** Secretariat to communicate launch of member website in February bulletin

**Action 3:** 2014 to be removed from the logo on the website. **Post meeting update: member website launched early April 2016**

### **3. Ending of Contracting Out**

A discussion took place around what communications funds are undertaking to communicate the ending of contracting out to their members. Most funds had mentioned the ending of contracting out in newsletters to members and some were going to follow this up with an individual notification.

Chair confirmed that TWPF were waiting for the Budget announcement on pension tax relief and were going to send a joint communication including the tax position.

Quite a few funds were planning to use the wording from the sample letter

provided by the LGA.

LB confirmed that the Secretariat are going to be issuing a special bulletin on the ending of contracting out in February – this will inform funds that they need to remove any reference to the LGPS being contracted out in their literature. The Secretariat will carry out a literature review of [www.lgpsregs.org](http://www.lgpsregs.org) and do the same.

Some funds are planning on informing active, deferred and pensioner members of the ending of contracting out at this stage. Others were only informing active members at present and planned to communicate with deferred and pension members when the position regarding PI on GMPs has been confirmed.

David Williams (DW) confirmed that the Environment Agency had obtained a legal opinion from Osborne Clarke as to whether there is a statutory requirement to inform members that the LGPS is no longer contracted out. Osborne Clarke were of the opinion that there is no legal obligation. DW will share this with the group.

**Action 4:** Secretariat to undertake a review of the literature on the [www.lgpsregs.org](http://www.lgpsregs.org) and amend references to the LGPS being a contracted out scheme. **Post meeting update: completed early April 2016**

**Action 5:** DW to share the legal opinion obtained from Osborne Clarke **Post meeting update: legal opinion circulated to the group on 18/2/2016**

#### **4. Lifetime and Annual Allowance**

A discussion took place around the communications already produced by the NHS, TPS and Merseyside. It was agreed these were useful and a good starting point when looking at communications for the LGPS.

It was agreed that factsheets on AA and LTA should be produced for the LGPS by the group. It was also noted that the Administration and Communications sub-committee had requested that the CWG produce guidance for members.

Again, timing is tight and some funds have already communicated with their members on this issue.

Cory Blose (CB) informed the group that Hymans had provided some higher earner sessions for LGSS including webinars. Other funds mentioned that the take up for high earner session was low.

GH informed the group that Merseyside's actuaries, Mercers, had run a session for their members; they had targeted member earnings over £70k.

It was mentioned that is important to engage employers in the process as they are best able to identify employees who are likely to be on fast track promotion paths and likely to be affected by the changes.

It was agreed that funds should be communicating with members now about

the need to opt out before 6 April 2016 if applying for Fixed Protection 2016.

Chair asked the group for volunteers to take a lead on developing factsheets for the LGPS. Neil Lewins (NL) agreed to take the lead and circulate draft versions the group for feedback in the next couple of weeks. Once agreed the factsheets will be forwarded to LB for sign off and then circulated to funds.

A discussion took place around the LTA protections being put in place for 2016. HMRC have confirmed that paper certificates will no longer be provided to members with protection, they will instead be issued with a reference number that funds can verify online.

Chair expressed concern about any on-boarding process necessary for funds to be able to access the reference numbers online, given the recent experience with TUO.

**Action 6:** NL to review AA & LTA guidance already produced and develop factsheets for the **LGPS Post meeting update: AA and LTA factsheets issued 8 March 2016**

#### **5. Exit cap and recovery**

A discussion took place around the draft public sector exit payment cap regulations 2016 and the draft repayment of public sector exit payments regulations 2016.

Some funds have included articles in newsletters to inform members of the proposals. Most funds haven't communicated with members as yet as the legislation is not yet laid and they see the issue as one for employers to communicate.

It was noted that when the LGPS regulations are amended (see schedule 4 of the Enterprise bill) funds will need to communicate the changes to members in accordance with the Disclosure 2013 regulations.

Andy Brooks (AB) asked if the exit cap would also be imposed on Wales.

Chair informed the group of the new "further consultation on limiting public sector exit payments" published on 5 February 2016 and closing on 3 May 2016.

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/498106/FINAL\\_Consultation\\_on\\_public\\_sector\\_exit\\_payment\\_reforms\\_4\\_February\\_pdf\\_....pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/498106/FINAL_Consultation_on_public_sector_exit_payment_reforms_4_February_pdf_....pdf)

LB reminded the group of the consultation on the taxation of exit payments which took place in the summer. This consultation has closed but the Government have yet to respond.

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/448275/Simplification\\_of\\_the\\_Tax\\_and\\_National\\_Insurance\\_Treatment\\_of\\_Termination\\_Payments.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/448275/Simplification_of_the_Tax_and_National_Insurance_Treatment_of_Termination_Payments.pdf)

GH asked that the Secretariat send confirmation to funds of the current open consultations as funds are struggling to keep track of them.

Chair informed the group that she has asked for active consultations to appear as news item on the [www.lgpsregs.org](http://www.lgpsregs.org) site that is currently being re-designed.

**Action 7:** LB to confirm the exit cap position for Wales – **post meeting update: position confirmed to Wales POG directly**

**Action 8:** Secretariat to confirm to LGPS funds the active consultations. **Post meeting update – included in the February 2016 bulletin**

#### **6. Negative revaluation of CARE accounts**

LB confirmed that HMT ministers have taken a decision to push forward with the negative revaluations. This is subject to the affirmative procedure in the Houses of Parliament.

The Secretariat have yet to release anything to funds as they are waiting for DCLG to confirm with HMT that a negative revaluation will not cause unauthorised pension payments for those members who ceased active membership during 2015/16 and who are drawing their pension.

Many members of the group were not aware that deferred and pensioner members who had left during 2015/16 would see a negative revaluation applied to the CARE element as benefits in deferment and payment are indexed in line with PI orders. LB confirmed that pension accounts accrued to the date of leaving are subject to revaluation orders so any leavers in 2015/16 would be subject to the negative revaluation. LB also confirmed that where the revaluation order is a negative figure then the Treasury Order revaluation is simply applied at one second after midnight of the 31 March (not an adjusted calculation) and Pensions Increase of 0% is applied on the first Monday falling on or after the following 6<sup>th</sup> April.

The group asked that the Secretariat email all funds to clarify that the position as there was much uncertainty in the group.

A discussion took place about when to inform deferred members of the negative revaluation given that the ABS statement this year will be based on benefits at 31/3/2016 when it won't have been applied. It was agreed that negative revaluations should be mentioned in the ABS notes

**Action 9:** Secretariat to email funds regarding negative revaluation. **Post meeting update – email sent to funds on 12/2/2016**

#### **7. Communications Plan**

It was agreed that the plan should be a standard agenda item going forward. This will help focus the group on the items in the work plan and keep on track.

Looking at the plan for 2015/16 it was agreed to remove the LGPS effective communications guide item for 2016/17 as the Pensions Regulator's Code

14 contains much of the information that would be included.

It was agreed that the 2016/17 plan would contain standing items that would always be under review such as annual benefit statements, member website, taxation of pensions and then special items that come about as a result of pension reforms such as freedom and choice, ending of contracting out etc.

Special items for 2016/17

- Negative revaluation
- AVCs – freedom and choice
- Ending of contracting out – indexation of GMPs
- Member website – implementation and review action plan

**Action 10:** LB to produce and circulate communication plan 2016/17 to the group for approval **post meeting updated: circulated to CWG in May 2016 and uploaded to [www.lpgsregs.org](http://www.lpgsregs.org).**

## 8. AOB

- Tax relief on pensions – a discussion took place about the announcement due in the Budget about tax relief and pensions. There have been rumblings in the press about the introduction of a flat rate of tax relief. The group discussed how this would be another difficult message to communicate at a time when the NI rebate is being lost and pension accounts being revalued downwards. Chair informed the group that she has postponed AVC presentations until the tax situation is known.
- LB provided the group with an update on the NI database and TUO. Only 41 funds have uploaded data to the NI database – all funds are encouraged to do this as soon as possible. It is a simple process but if anyone needs assistance they can call Con Hargrave. GH asked that the date that appears next to the funds that have not yet uploaded data (9/9/2015) be removed as this gives the impression they have uploaded data. This could be confusing for funds searching the database for a match.  
TUO – the launch has been further delayed. The group discussed their experiences with some funds finding Atos' performance poor whilst others found them helpful. LB confirmed that the Secretariat are looking to put together some troubleshooting notes for funds who are not yet on board. MJ, and the Chair confirmed they would be happy to assist.
- CP asked the group how they were going to meet the 31 August deadline for ABS with it being a valuation year. The group discussed how they were assisting employers to provide accurate clean data. CB confirmed that they had built in a checker to their year-end template that rejected data if it was not correct. Chair informed the group that TWPF had identified a list of common problems with data received from employers, they are communicating these with employers to avoid the same mistakes being made this year. Chair will share this with the group.

- CP also asked about the example improvement plan the Pensions Regulator said they would share with LGPS funds. LB confirmed this should be included in the February bulletin.
- Jenny Gregory (JG) asked that the APC calculator be amended – the ‘regular cost to member before tax relief’ field.

**Action 11:** Secretariat to look at removing 9/9/2015 date form NI database and replacing it with “no data” Post meeting update – **post meeting update: date amended to 01/01/1900 on NI database**

**Action 12:** Chair to share common problems with employer data with group **post meeting update: circulated to the group on 13/07/2016**

**Action 13:** Secretariat to review the APC calculator **post meeting update: no amendments required**

## **12. Next Meeting**

- 26 May 2016 - 11am to 2pm in Millbank Room 8.2 Local Government House.